



Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: EBC Integrated Solutions

File: B-258498; B-258508

Date: November 8, 1994

DECISION

EBC Integrated Solutions protests the rejection of its bids as nonresponsive by the Department of the Navy under solicitation Nos. N68711-94-B-0594 and N68711-94-B-0586, respectively. The Navy rejected the bids because the accompanying bid bonds were not in the proper amounts. EBC contends that this rejection was improper and that if its bonds were defective the defects could be cured after bid opening.


We dismiss the protests.

A bid bond is a form of security submitted to assure the government that a successful bidder will not withdraw its bid within the period specified for acceptance and, if required, will execute a written contract and furnish performance and payment bonds. See Federal Acquisition Regulation (FAR) § 28.001. The purpose of a bid guarantee is to secure the liability to the government for excess procurement costs in the event the successful bidder defaults by failing to execute the necessary contractual documents or to furnish the required payment and performance bonds. See FAR § 52.228-1(c); Imperial Maint., Inc., B-224257, Jan. 8, 1987, 87-1 CPD ¶ 34. Therefore, a bid guarantee is a material part of a bid and when a bond is required, it must be furnished with the bid package. Baucom Janitorial Servs., Inc., B-206353, Apr. 19, 1982, 82-1 CPD ¶ 356. The FAR generally requires the rejection of a bid that does not comply with a solicitation bid guarantee requirement. FAR § 14.404-2(j); Fort Steuben Enters., B-233746, Dec. 22, 1988, 88-2 CPD ¶ 621.

The solicitations here, for indefinite quantity contracts, required that a guarantee be submitted with the bids for 20 percent of the amount of the bids. EBC's bids were for \$6,996,719.14 and \$11,067,543.29, respectively, and its accompanying bid bonds each were in the penal sum not to exceed \$20,000, which is far less than the required 20 percent of each. Therefore, the agency properly rejected EBC's bids.

The protester also argues that the bond requirements were "confusing and contradictory." This argument is untimely. Since it involves a challenge to solicitation provisions, it should have been raised prior to bid opening. 4 C.F.R. § 21.2(a)(2) (1994).

The protests are dismissed.

A handwritten signature in black ink that reads "Ronald Berger". The signature is written in a cursive style with a large, looped 'R' and a trailing flourish.

Ronald Berger
Associate General Counsel